

Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

S E C R E T STATE 074559

FOR EA ONLY, MANILA POUCH CEBU

E.O. 11652: GDS

TAGS: PINR, PORG, ENRG, MNUC, RP

SUBJECT: WEEKLY STATUS REPORT

TO : EA - MR. HOLBROOKE

FROM: EA/PHL - BENJAMIN A. FLECK

1. CURTIS CASE ABOUT TO SURFACE? (SECRET)

A MEMBER OF JACK ANDERSON'S STAFF VISITED ME ON MARCH 21 TO INQUIRE ABOUT THE DEPARTMENT'S REACTION TO THE MASSIVE SET OF DOCUMENTS AND TAPE RECORDINGS PROVIDED BY NEVADA BUSINESSMAN ROBERT CURTIS CONCERNING HIS ALLEGED INVOLVEMENT WITH MARCOS AND OTHER PHILIPPINE OFFICIALS IN A SECRET OPERATION TO RECOVER CACHES OF GOLD AND OTHER TREASURES ALLEGEDLY BURIED IN THE PHILIPPINES BY JAPANESE TROOPS DURING WORLD WAR II (SEE STATE 25713). SHE WAS TOLD THAT
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THE MATERIAL HAD BEEN EXAMINED, THAT THE DEPARTMENT WAS NOT IN A POSITION TO MAKE A JUDGEMENT REGARDING THE VALIDITY OF CURTIS' ALLEGATIONS, AND THAT NO ACTION BY THE DEPARTMENT APPEARED CALLED FOR. I QUERIED HER ABOUT HER INTERPRETATION OF CURTIS' MOTIVES IN WANTING TO MAKE THIS MATERIAL PUBLIC AND SHE SPECULATED THAT HE BELIEVED PUBLIC- CATION WOULD PROVE HIM INNOCENT OF THE CHARGES AGAINST HIM

IN THE TRIAL CURRENTLY UNDER WAY IN NEVADA. WE DO NOT KNOW ENOUGH ABOUT THE TRIAL TO JUDGE WHETHER OR NOT SUCH MOTIVATION WOULD BE VALID. IN ANY CASE, MENTION OF THE STORY MAY OCCUR AT ANY TIME IN THE ANDERSON COLUMN. REFERENCE TO MARCOS' PARTICIPATION IN THE AFFAIR WILL NOT IMPROVE HIS IMAGE IN THIS COUNTRY.

2. UNGA SPECIAL SESSION (LIMITED OFFICIAL USE)

IN AN EFFORT TO CLEAR UP ANY POSSIBLE CONFUSION OR MISUNDERSTANDING, I CALLED IN CHARGE BELISARIO ON MARCH 22 TO CLARIFY THE USG POSITION WITH REGARD TO THE GOP PROPOSAL TO HOLD THE UNGA SPECIAL SESSION NEXT YEAR IN MANILA. I INFORMED BELISARIO THAT EMBASSY MANILA WOULD BE RESPONDING TO THE OFFICIAL DIPLOMATIC NOTE FROM THE DFA TO THE EFFECT THAT THE USG REITERATES ITS LONG-STANDING OPPOSITION TO HOLDING ANY SESSIONS OF THE UNGA OUTSIDE OF UN HEAD-QUARTERS BECAUSE OF THE SUBSTANTIAL EXTRA FINANCIAL COSTS AND ADMINISTRATIVE DISRUPTION INVOLVED. BELISARIO SAID HE UNDERSTOOD USG POSITION AND WOULD SO INFORM MANILA.

3. AMBASSADOR ROMUALDEZ' HEALTH (LIMITED OFFICIAL USE)

BELISARIO STATED THAT A SMALL NON-MALIGNANT GROWTH HAD BEEN REMOVED FROM AMBASSADOR ROMUALDEZ' PROSTATE GLAND. THE AMBASSADOR IS STILL IN HOSPITAL AND IS NOT YET
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RECEIVING VISITORS.

4. PALAWAN ISLAND EYED AS POSSIBLE SPENT NUCLEAR FUEL STORAGE SITE (CONFIDENTIAL)

EA/PHL WAS VISITED ON MARCH 21 BY A GROUP FROM A PRIVATE CONSULTING FIRM, ENERGY ASSOCIATES, INC. (EAI), UNDER CONTRACT TO THE DEPARTMENT OF ENERGY TO STUDY SITES IN THE PACIFIC BASIN FOR THE STORAGE OF SPENT NUCLEAR FUEL ESTIMATED TO TOTAL 27,000 MT BY 1990 WITH POSSIBLE CONSTRUCTION OF A REPROCESSING FACILITY THEREAFTER. THREE LOCATIONS HAD TENTATIVELY BEEN CHOSEN IN CONFORMITY WITH VARIOUS TECHNICAL REQUIREMENTS, INCLUDING THE ABSENCE OF SEISMIC ACTIVITY, FAVORABLE WEATHER (NO TYPHOON) CONDITIONS, ETC. TWO ISLANDS (IN THE CAROLINE AND GILBERT GROUPS) HAVE PROVEN INFEASIBLE FOR VARIOUS REASONS, LEAVING PALAWAN AS THE ONLY GOOD CANDIDATE. AS DESCRIBED TO US, THE FACILITY WILL REQUIRE ONLY A SMALL (2 SQ. MILE) AREA, WHICH WOULD BE ADMINISTERED BY AN INTERNATIONAL ENTITY (JOINT U.S./JAPANESE CONTROL WITH OTHER COUNTRIES PARTICIPATING), TO PROVIDE SURFACE ("SWIMMING POOL") STORAGE OF SPENT FUEL VERY LARGELY SHIPPED FROM JAPAN

BUT INCLUDING LESSER AMOUNTS FROM SOUTH KOREA AND TAIWAN.

THE MAIN INDUCEMENT TO PERSUADE THE GOP TO ACCEPT SUCH AN INSTALLATION ON ITS TERRITORY WOULD BE A MULTIMILLION DOLLAR CASH GENERATION FROM LEASING, CONSTRUCTION OF A POTENTIAL PROCESSING PLANT, AND OTHER OUTLAYS TOTALING DOLS 8 BILLION (") DURING THE PERIOD FROM NOW UNTIL THE YEAR 2030. HOWEVER, AFTER SOME PROBING, IT WAS ADMITTED THAT ACTUAL REVENUE ACRUING TO THE PHILIPPINE ECONOMY WOULD BE CONSIDERABLY LESS THAN THIS MUNIFICENT SUM.

WHILE THE DISCUSSION OF THE PROJECT RAISED A NUMBER OF QUESTIONS IN OUR MINDS ABOUT POLITICAL SENSITIVITY AND FEASIBILITY, WE COULD NOT STATE THAT THE GOP WOULD
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AUTOMATICALLY TURN IT DOWN IF THE PROPER APPROACH WERE MADE. WE RESERVED ON THE QUESTION OF EA APPROVAL, SUBJECT TO A CLOSE REVIEW OF FULL DETAILS, TIMING CONSIDERATIONS, ETC. DOE/IAE WILL PROBABLY BE COMING BACK TO US FOR MORE TALKS ON THE SUBJECT IN SEVERAL MONTHS.

5. PLEASE NOTE FOR EA ONLY CAPTION.

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